



The Commonwealth of Massachusetts
Department of the State Treasurer

One Ashburton Place

Boston, Massachusetts 02108-1608

Timothy P. Cahill
Treasurer and Receiver General

January 4, 2008

Dear SMART Plan Participant:

As you know, my staff regularly reviews the structure and performance of the Massachusetts Deferred Compensation SMART Plan ("the SMART Plan") to ensure its continued success in providing high-quality services at competitive prices and to seek opportunities to provide service enhancements. Consequently, I am pleased to announce that after an extensive bidding process, I have awarded the third-party administration and recordkeeping services contract to Great-West Retirement Services ("Great-West").

Great-West is a leading provider of employer-sponsored retirement programs for state and local governments. With a focus on providing high-quality retirement plan services to employers and their employees, Great-West services 15 of the 50 state plans, more than any other service provider in the market. They also serve four of America's six largest cities (New York, Los Angeles, Houston and Philadelphia). Great-West administers defined contribution plans for over 1.3 million state and local government employees.

I selected Great-West as the new provider of administration, recordkeeping, investment education and communication services to offer our participants enhanced services at lower costs. This will benefit employees currently enrolled in the SMART Plan, as well as future participants. The transition date of participant accounts from ING to Great-West is scheduled for March 7, 2008.

Highlights of Plan Enhancements:

New Fee Structure

Administrative fees will be **reduced by over 25%** for full-time employees participating in the Plan. After the transition, the administrative fee for full-time Plan participants will be reduced to 0.0875% of Plan assets a year as compared to the current fee of 0.12% of Plan assets. This is a significant reduction, which will save our participants millions of dollars in fees over the new contract term.

New Participant Services

The Plan will offer a wide range of new and enhanced services, including:

- deferral recordkeeping, a convenient way for participants to electronically make changes to their deferral amount via the automated Voice Response System or the Web site;
- the ability for participants to have their deferral taken as a whole dollar amount or as a percentage of gross pay per pay period;
- more extensive education and account management services via the Web site, including the ability for participants to personalize an account home page;
- a wider range of *free* educational seminars, conducted by licensed representatives, in more locations throughout the Commonwealth; and
- a new call center in Massachusetts dedicated to serving the SMART Plan. The new SMART Plan Service Center will be staffed with *local* service counselors dedicated to serving participants. This is in addition to service counselors located throughout the Commonwealth for local personal education and account services.

Transition Process:

Soon, you will receive *The SMART Plan Navigator*, a complete guide to the new enhancements coming to the SMART Plan. This guide will also include information regarding important transition dates, as well as a schedule of informational meetings offered at locations across the state. Registration for the informational meetings will not be required. Attendance will be on a walk-in basis, therefore I urge you to attend an informational meeting at your convenience.

I am enthusiastic about the service enhancements and lower costs coming to the SMART Plan. My goal is to make the process of saving for retirement easier and less expensive. As you learn more about the new opportunities, I believe that you too will share my excitement.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy P. Cahill". The signature is fluid and cursive, with the first name "Timothy" and last name "Cahill" clearly distinguishable.

Timothy P. Cahill
SMART Plan Participant
Treasurer and Receiver General
The Commonwealth of Massachusetts